

From: wangl2@tpg.com.au
To: [Consumer Credit](#)
Subject: Submission to The National Consumer Credit Protection Amendment (Mortgage Brokers) Bill 2019
Date: Tuesday, 27 August 2019 5:58:06 PM
Attachments: [image001.jpg](#)

Dear Treasury Department

I would like to make a submission in relation to the National Consumer Credit Protection Amendment (Mortgage Brokers) Bill 2019.

While I am agree with most of the recommendation and amendment to this bill, there is one particular of area that I have concern of.

The LAW requires the value of upfront commissions be linked to the amount drawn down by borrowers instead of the loan amount.

However, there is nothing to prohibit the bank to benefit such action. Bank still measure their front line staff/lending manager (as part of their performance target) with the total loan amount rather than amount drawn by borrower.

This created an uneven level of playing field between Bank and Broker.

No commission to Broker while bank staff still benefiting from such action.

An Extreme sample would be:

Broker helped a client to borrow 500000 and the client park the funds in the offset account for some time. Broker get paid \$0, because of this legislation.

Bank helped a client to borrow 500000 and the client park the funds in the offset account for some time. The banker would benefit from such action by counting towards their Sales Target.

This is clear that legislation need to including bank cannot benefiting from such action (ie. Count towards bank performance target) in order to create a level playing filed.

Regards

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